

**Assembly Bill No. 2444**

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Passed the Assembly August 29, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 24, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Chapter 2.66 (commencing with Section 65089.20) and Chapter 2.67 (commencing with Section 65089.30) to Division 1 of Title 7 of the Government Code, and to add Sections 9250.3 and 9250.4 to the Vehicle Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2444, Klehs. Congestion management and motor vehicle environmental mitigation fees.

Existing law provides for the imposition by air districts and other local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles.

This bill would authorize the congestion management agencies in the 9 Bay Area counties, by a  $\frac{2}{3}$  vote of all of the members of the governing board, to impose an annual fee of up to \$5 on motor vehicles registered within those counties for a program for the management of traffic congestion. The bill would require a program with performance measures and a budget to be adopted before the fee may be imposed. The bill would require the agency to have an independent audit performed on the program within 2 years after the fee becomes operative, and each year after that date, and to submit a report to the Legislature on the program by July 1, 2011. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and distribute the net revenues, after deduction of specified costs, to the agency. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the agency to make a specified finding of fact in that regard by a  $\frac{2}{3}$  vote.

This bill would also authorize the Bay Area Air Quality Management District, which is the air pollution control district for the 9-county Bay Area, to impose an annual fee of up to \$5 on motor vehicles registered with its jurisdiction for programs that mitigate the impacts of motor vehicles on the environment,

including, but not limited to, stormwater runoff mitigation projects, water quality improvement projects, and air quality improvement projects. The bill would require a program with performance measures and a budget to be adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region before the fee may be imposed, and would require the fee to be adopted by a  $\frac{2}{3}$  vote of the governing board of the district. The bill would require the Department of Motor Vehicles, if requested, to collect the fee and to distribute the net revenues, after deduction of specified costs, to the Bay Area Air Quality Management District and to the California Regional Water Quality Control Board for the San Francisco Bay Region based on a specified formula. The bill would require the recipient agencies to have an independent audit performed on the program within 2 years after the fee becomes operative, and each year after that date, and to submit a report to the Legislature on the program by July 1, 2011. The bill would require that the fees collected may only be used to pay for programs bearing a relationship or benefit to the owners of motor vehicles paying the fee, and would require the board to make a specified finding of fact in that regard by a  $\frac{2}{3}$  vote.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 2.66 (commencing with Section 65089.20) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.66. MANAGEMENT OF TRAFFIC CONGESTION IN  
THE BAY AREA

65089.20. (a) As used in this chapter, “county transportation agency” means an agency designated pursuant to Section 66531 to submit the county transportation plan.

(b) A county transportation agency may impose a fee of up to five dollars (\$5) on motor vehicles registered within the county if the board of the county transportation agency adopts a resolution providing for both the fee and a corresponding program for the management of traffic congestion as set forth in Sections

65089.21 to 65089.24, inclusive. Adoption by the board requires a vote of approval by two-thirds of all the members of the board.

(c) A fee imposed pursuant to this section shall not become operative until six months after the effective date of this section and pursuant to the resolution adopted by the board in subdivision (b).

(d) A county transportation agency may adopt a resolution by a majority vote of the board to cease collection of the fee commencing on a date determined by the county transportation agency in consultation with the Department of Motor Vehicles.

65089.21. (a) The net revenues from the fee distributed to the county transportation agency pursuant to Section 9250.3 of the Vehicle Code shall be used for purposes of congestion management consistent with the objectives of Section 65089.

(b) (1) The revenues may be used to pay for programs with a relationship or benefit to the owners of motor vehicles that are paying the fee. Eligible projects include, but are not limited to, roadway operations and improvements (not including the construction of through freeway lanes), public transit capital improvements and operations, and bicycle and pedestrian safety projects and programs.

(2) Prior to imposing the fee, the board of the county transportation agency shall make a finding of fact by two-thirds of all the members of the board of that county transportation agency that those programs bear a relationship or benefit to the owners of motor vehicles that will pay the fee.

(c) The purpose of the congestion management program is to address motor vehicle congestion.

(d) Not more than 5 percent of the fees distributed to the county transportation agency shall be used by the agency for its administrative costs associated with the program.

65089.22. Prior to the imposition of the fee by the county transportation agency, a specific program with performance measures and a budget shall first be developed and adopted by the county transportation agency at a noticed public hearing.

65089.23. The county transportation agency shall have an independent audit performed on the specific program adopted pursuant to Section 65089.22 with the review and report provided to the board at a noticed public hearing. The independent audit shall be performed within two years after the

fee established under this chapter becomes operative and each year after that date.

65089.24. The county transportation agency shall provide a report to the Legislature on the specific program adopted pursuant to Section 65089.22 by July 1, 2011.

SEC. 2. Chapter 2.67 (commencing with Section 65089.30) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 2.67. ENVIRONMENTAL MITIGATION OF MOTOR  
VEHICLES IN THE BAY AREA

65089.30. (a) As used in this chapter, “board” means the governing body of the Bay Area Air Quality Management District.

(b) The board may impose a fee of up to five dollars (\$5) on motor vehicles registered within the counties in its jurisdiction if the members of the board adopt a resolution providing for both the fee and a corresponding program for the mitigation of the impacts of motor vehicles on the environment submitted to the board as set forth in Sections 65089.31 to 65089.34, inclusive. Adoption by the board requires a vote of approval of two-thirds of all the members of the board.

(c) A fee imposed pursuant to this section shall not become operative until six months after the effective date of this section and pursuant to the resolution adopted by the board in subdivision (b).

(d) The board may adopt a resolution by majority vote to cease collection of the fee commencing on a date determined by the board in consultation with the Department of Motor Vehicles.

65089.31. (a) The net revenues available pursuant to Section 9250.4 of the Vehicle Code shall be distributed as follows:

(1) Fifty percent to the Bay Area Air Quality Management District. Of these revenues, 75 percent shall be expended on projects in the county of origin, as determined by the district, and 25 percent shall be expended on regional projects.

(2) Fifty percent to the California Regional Water Quality Control Board for the San Francisco Bay Region. Of these revenues, 75 percent shall be expended on projects in the county of origin, as determined by the board, and 25 percent shall be expended on regional projects.

(b) (1) The revenues may be used to pay for programs that mitigate the impacts of motor vehicles on the environment, including, but not limited to, stormwater runoff mitigation projects, water quality improvement projects, and air quality improvement projects, including those that address emissions that contribute to climate change. The programs shall have a relationship or benefit to the owners of motor vehicles that are paying the fee.

(2) Prior to the imposition of the fee, the board shall make a finding of fact by a two-thirds vote of all of the members of the board that those programs bear a relationship or benefit to the owners of motor vehicles that will pay the fee.

(c) Not more than 5 percent of the fees distributed to the Bay Area Air Quality Management District or the California Regional Water Quality Control Board for the San Francisco Bay Region shall be used by those entities for their administrative costs associated with the programs specified in this section.

65089.32. Prior to the imposition of the fee by the board, a specific program with performance measures and a budget shall first be developed and adopted by the Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region for the anticipated revenues each agency is expected to receive pursuant to Section 65089.31. The adoption shall occur at a noticed public hearing of each agency. Each agency shall submit the program and budget to the board.

65089.33. The Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region shall have an independent audit performed on the specific program adopted pursuant to Section 65089.32 with the review and report provided to each agency at a noticed public hearing. The independent audit shall be performed within two years after the fee established under this chapter becomes operative and each year after that date.

65089.34. The Bay Area Air Quality Management District and the California Regional Water Quality Control Board for the San Francisco Bay Region shall provide a report to the Legislature on the specific program adopted pursuant to Section 65089.32 by July 1, 2011.

SEC. 3. Section 9250.3 is added to the Vehicle Code, to read:

9250.3. (a) The department shall, if requested by a county transportation agency, collect the fee imposed pursuant to Section 65089.20 of the Government Code upon the registration or renewal of registration of any motor vehicle registered in the county, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(b) A county transportation agency shall pay for the initial setup and programming costs identified by the Department of Motor Vehicles through a direct contract with the department. Any direct contract payment by the county transportation agency shall be repaid, with no restriction on the funds, to the county transportation agency as part of the initial revenues distributed. Regular Department of Motor Vehicles collection costs shall be in accordance with subdivision (c). These costs shall not be counted against the 5-percent administration cost limit specified in subdivision (d) of Section 65089.21.

(c) After deducting all costs incurred pursuant to this section, the department shall distribute the net revenues to the county transportation agency.

(d) As used in this section, “county transportation agency” has the same meaning as in subdivision (a) of Section 65089.20 of the Government Code.

SEC. 4. Section 9250.4 is added to the Vehicle Code, to read:

9250.4. (a) The department shall, if requested by the governing board of the Bay Area Air Quality Management District, collect the fee imposed pursuant to Section 65089.30 of the Government Code upon the registration or renewal of registration of any motor vehicle registered in a county within the jurisdiction of the board, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(b) The board shall pay for the initial setup and programming costs identified by the Department of Motor Vehicles through a direct contract with the department. Any direct contract payment by the board shall be repaid, with no restriction on the funds, to the board as part of the initial revenues available for distribution. Regular Department of Motor Vehicles collection costs shall be in accordance with subdivision (c). These costs shall not be counted against the 5-percent administration cost limit specified in subdivision (c) of Section 65089.31.

(c) After deducting all costs incurred pursuant to this section, the department shall distribute the net revenues pursuant to subdivision (a) of Section 65089.31 of the Government Code.















Approved \_\_\_\_\_, 2006

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*Governor*